



Horwath HTL
Health & Wellness

INDUSTRY REPORT

How sustainable are wellness resorts

JANUARY 2025



INTRODUCTION

The hospitality industry contributes to 3% of global carbon emissions, with hotel operations responsible for 1% and construction of new hotels accounting for the remaining 2% (UNTWO,2022). Additionally, the industry generates approximately 289,700 tons of waste annually, which include around 79,000 tons of food waste (Tostivint et al., 2016). As concerns over environmental impact and corporate responsibility grow, hotels globally are adopting multiple "green" initiatives aimed at reducing their carbon footprint, conserving resources, and improve community engagement.

Numerous "Green" certifications have emerged over the last decade, and this can be noted as a step in the right direction for hotels that desire to add sustainability in their ethos and make commensurate efforts. Nevertheless, such certificates come at a cost and some challenges towards understanding and implementation that hamper these platforms to be widely accepted. As a matter of fact, properties can get discouraged not only with costs associated for obtaining these certificates (ranging from annual fees to various audits fee and potential construction expenses) but also with the extensive lists of measures/best practices (staff training, sustainability criteria to follow) necessary to comply with the certification requirements.

Additionally, some Owners may also question the intrinsic value of a certificate and perceive it only as a marketing tool. As a result of the wider disconnect between sustainability experts and hotel operators, majority of the brands are formulating their own unique policy and guidelines for establishing sustainability practices throughout their chain/network.

In order to understand the context, relevance and adaptation of sustainability practices in wellness resorts, we have researched two leading entities in the wellness hospitality segment, differentiated by their size, programming and target clientele. They are: -

- > Six Senses Hotels Resorts Spas, a member of the IHG Hotels and Resorts with 26 properties in 21 countries across the world.
- > Fivelements Retreat in Bali, a holistic wellness retreat in Indonesia focused on traditional healing, nutrition and aligning urban lifestyles with nature.

SUSTAINABILITY AT THE SIX SENSES A STRUCTURED CORPORATE APPROACH

Six Senses, a known luxury retreat brand, has been a pioneer in merging sustainability practices and discerning experiences by implementing innovative operational measures and demonstrating a strong commitment to environmental conservation. The brand's sustainability standards have been recognized by GSTC (Global Sustainable Tourism Council) with some initiatives even extending beyond this purview. Below are some of the key best practices followed by the brand and across all resorts, extending from the development phase up to day-to-day operations.

- Sustainability - recognised as a core brand pillar: Messaging is key, and the Six Senses brand has laid tremendous focus on showcasing its conservational and sustainable achievements both on online and offline platforms. Each resort features a dedicated public space where the sustainable achievements of the property are highlighted and also allow guests to participate in some of these efforts.
- Resource allocation at all organisational levels: The brand has created a company-wide structure for sustainable operations with dedicated allocation of human and financial resources towards this focus. Each property employs a dedicated sustainability manager or director, who also forms a part of the property's executive committee, further aligning the operational goals towards sustainable outcomes.

- Sustainability linked performance goals and KPIs: General managers at Six Senses properties are assigned sustainable goals which are reviewed and assess during performances review. By integrating the term in the brand's central messaging and ethos; sustainable operational guidelines are extensively prepared, distributed and tracked with KPIs (Key Performance indicators) for all employees across all levels and functions of the company.
- Rigorous audits and training: In order to ensure consistency and standardisation of sustainable practices the Six Senses brand conducts its own rigorous audit at a property-level, led by the property's sustainability manager/director and supported by corporate resources, for over a period of five days. This process also includes general training sessions and meetings with all department heads.
- Dedicated sustainability-centric fund: The brand has also constituted a Sustainability fund which receives contributions from all its properties for deployment. Owners of each Six Senses properties contribute 0.5% of total revenue to this sustainability fund. This money is used towards environmental and social causes unique to the property and the surrounding communities, as well as targeting major environmental concerns such as marine life conservation in the Maldives.

By understanding how sustainability goals fit into the corporate as well as the operational nuances, gives the reader an in-depth perspective of how large and organised brands are approaching this topic.

FIVELEMENTS RETREAT BALI - HOLISTIC WELLNESS AND SUSTAINABILITY

The Five Elements Bali has been chosen as it uniquely embraces a holistic sustainability approach i.e. creating activities, experiences and offerings that drive demand from guests as well as sustainable outcomes. In most cases the guests are a key part of the sustainability offerings making them extremely unique. The operational and wellness focus of the property is rooted in the Balinese philosophy of Tri Hita Karana, which highlights three core principles: respect for

God, nature, and humanity. These principles shape every aspect of the resort's operations, emphasizing environmental and social responsibility.

- A circular micro-economy: The hotel has established a comprehensive water recycling system, where water from guest showers and other public areas is treated and reused for watering the gardens and ponds. The irrigation system sustains a 3,700 square meter herb and vegetable garden, which further supplies approximately 35% to 40% of the kitchen's ingredients
- for the resort's plant-based restaurant. Additionally, the resort composts 95% of its organic waste, turning it into manure for its garden.
- Uplifting local cottage industries: Approximately 90% of all the amenities and raw materials consumed by the Fivelements Bali are sourced within a 10-kilometer radius, heavily depending on local resources and minimizing the carbon footprint associated with logistics and transportation.
- Charitable initiatives: Five Elements Bali donates 0.5% of its total revenue to three key charities. These organizations focus on educating young children, supporting orphanages, and re-developing a pine forest in the Kintamani region with more varied and enriched flora.
- Sustainable waste disposal - The resort's location and the surrounding village suffer from the lack of a sustainable waste disposal services leading the villagers to resort to burning household waste in large quantities and then polluting the neighbouring rivers. As an initiative, the Fivelements Bali has partnered with local agencies for sustainable waste disposal, the resort now undertakes the responsibility of effective waste management for the surrounding village as well as the property.
- Training and education on sustainability: The team at Fivelements is dedicated to spread the

knowledge on sustainability practices and educate the locals on the various conservation and environmentally friendly practices. As an example, the team engages the village locals each year to clean up beaches on Earth Day, clearing out tonnes of waste plastic.

With a nifty and curated approach to sustainability, the Fivelements Bali pushes the boundaries of inclusion of guests, local communities and third-party organisations to achieve sustainable outcomes. The resort further enhances these touchpoints by communicating to each guest their carbon footprint and consumption during their stay making a conscious effort towards awareness of these modern-day challenges.

KEY HIGHLIGHTS:

Our interviews with industry professionals and sustainable organizations shed light on an apparent gap within the industry when it comes to implementing and measuring best practices at a property level. Both organisations (Six Senses and Fivelements) have opted for a more curated approach towards tackling various aspects of operational sustainability. There is a lack of clear and standardized metrics (sustainable KPI's) for hotels and resorts which discourages them to participate in. The tourism industry does provide high-level targets such as reducing carbon emissions to nearly zero, but the measures and steps undertaken are still being debated.

In essence, green certifications may provide a guiding path for hotels and wellness resorts, however, they are still challenges in developing widely accepted best practices or measured outcomes of success which would make them more tangible and attractive. Positive outcomes in operations can be achieved by making sure there is synergy between various hospitality and wellness operators, common sharing platforms for operational best practices, corporate strategies and measured financial outcomes will be key in defining the future of sustainability in wellness hospitality.

Biographies:



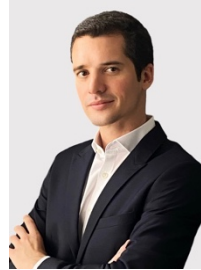
Karan Rahan
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With a progressive hospitality career behind him, Karan most recently held the position of Deputy General Manager for The Ascott Limited in India, where he was responsible for both business development and brand expansion in India, Bangladesh, Sri Lanka and Nepal.

Karan brings to Horwath HTL strong analytical and operational skills, with extensive experience in business development, strategy setting, and execution. Amongst his accomplishments, Karan has played integral roles in improving company efficiency and assisting clients in developing financial analysis, competitive benchmarking, market research, and gauging the viability of proposed, existing, and conversion projects.

At HVS and Hotelivate, Karan was supervising the Strategic Advisory team, with key contributions towards hotel feasibilities, valuations, and operator negotiations. His experience ranges from single hotel unit assessments to complex portfolio viabilities, Karan was also a key contributor in generating new leads, atypical strategic assignments, and building relationships with industry veterans for the firm's growth.

With his experience of working with private equity funds, banks, hotel owners and investors, Karan played a key role in the establishment of the JV between GOCO Hospitality and the Singapore Sovereign Fund to create an exquisite portfolio of wellness-oriented hospitality assets in Asia.



Matthieu Provino
Senior Analyst
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A trilingual passionate hotelier with a strong background in hotel operations, Matthieu resided in London for seven years where he held various front-of-house positions before progressing to events and sales. One of his outstanding achievements was obtaining the Night Manager Audit role at the St. James Hotel and Club at the young age of 24.

Matthieu's keen interest in hotel development combined with his eagerness to learn and inquisitiveness led him to pursue a Master's in Global Hospitality Business in order to further develop new skills including financial accounting and analysis, corporate finance, hotel asset management, real estate finance, and hotel development, in order to have a comprehensive know-how and expertise in the hospitality industry.

In his current role at Horwath HTL Health & Wellness, Matthieu is responsible for market research, competitive set analysis, and benchmarking, as well as financial analysis.



HORWATH HTL

Horwath HTL, the world's number one hospitality consultants. We are the industry choice; a global network offering complete solutions.

Horwath HTL has become synonymous with quality, service, impartial advice and expertise. Whatever your requirements, we can help you succeed.

Health and Wellness Services

Horwath HTL Health & Wellness offers a full range of consulting services exclusively for health and wellness developments.

From preliminary market research and feasibility work to asset management and operator search, our team has the expertise to maximise a successful product.

Our experienced team provides the creativity to develop unique themes, design, service and menu touch points that turn an ordinary wellness experience into one that is distinctive and captivating.

Our Expertise

- Market Research & Feasibility
- Wellness Asset Management
- Concept Development
- Strategic Advice
- Executive Recruitment

Our Experience

- Wellness Community Master Planning
- Destination Retreats
- Lifestyle & Wellness Centers
- Bathhouses
- Resort Spas
- Urban Hotel Spas
- Medical Spas
- Health & Fitness Clubs
- Day Spas

Market Research & Feasibility

Given the unique trends and consumer profile of the health and wellness market, our team offers expertise that reflects a demonstrated knowledge of global travel and tourism and the barriers to entering the highly competitive and specialized health and wellness market.

A nuanced understanding is applied to each individual project, its competitive marketplace, and an optimal positioning strategy for maximising its operational potential.

Our team of skilled researchers, analysts, and business professionals will initiate an in-depth site and competitive analysis along with a concentrated investigation of significant statistics and international development benchmarks in order to create a tailored business plan with detailed demand analysis and financial forecast for our clients.

Wellness Asset Management

Our team of wellness experts will assess, explore and make detailed recommendations on how to improve wellness business performance while evaluating the internal processes against the regional benchmarks.

Concept Development

The concept is the underlying vision for a facility, which drives its unique layout, menu of services, professional product selection and service philosophy.

It is the perfect balance of creativity combined with strategic thinking and operational sensibility that determines a detailed, well-thought-out concept and ensures consistency across not only each facet of the health and wellness facility development, but synergy throughout the overall property.

Horwath HTL Health & Wellness provides the creativity to develop those distinctive theme, design, service and menu touch points that turn an ordinary wellness experience into one that is distinctive and captivating.

Strategic Advice

Wellness is going beyond traditional hotel and resort spas and is becoming the overriding theme of large-scale community and resort destination developments at the original master planning stage.

Our team of experts can help identify a clear strategy, correctly and timely allocate resources, and work with the client's master planners and architects to provide on-going guidance and provide feedback and recommendations as it relates to wellness components of the development.

Previous experience in the planning and development of numerous projects around the world, from smaller mixed-use assignments to large-scale wellness community developments, allow us to provide a comprehensive range of advisory services.

Executive Recruitment

A wellness retreat is very distinctive from a regular resort in some ways. The wellness programming is unique and varies considerably from one to another retreat, depending on the wellness retreat concept and customer profile. They, therefore, need a specialist and often hard to find skills and abilities.

The team and its leadership are one of the most important factors to the success of any spa, bathhouse, wellness center, and wellness-centric hotel and resort. It is vital to ensure that the leadership positions have the correct skillsets and expertise to guide the team and drive profits.

Horwath HTL Health & Wellness, led by a team of hospitality professionals with multiple years of experience in developing, setting up, opening and managing hospitality establishments, offers executive recruitment to support you in identifying the best fitting candidates for your senior management wellness positions.

HORWATH HTL HEALTH & WELLNESS PROJECTS



Medical Wellness Retreat Koh Samui, Thailand

Horwath HTL Health & Wellness proposed a targeted medical wellness retreat as part of a luxury villa development in Koh Samui. The wellness retreat is set to provide an all-encompassing health solution, using cutting-edge diagnostic technology in a luxury resort environment.



Luxury Hotel Health Club Shanghai, China

Proposed a concept that blends modernity with elegant Italian style of the brand. To capitalize on the growth of male grooming in China, Horwath HTL recommended a dedicated male grooming atelier, offering barber services and treatments that are formulated specifically for male skin.



Luxury Spa Venice, Italy

A luxury resort on an island in the Venetian Lagoon with 1,750 square metres of space, spread across three different buildings allocated for a spa development. Proposed a luxury spa facility that works within the historic building structures that were already onsite and supports the overall positioning strategy of the hotel.



Sovereign Wealth Fund Integrated Wellness Development, GCC

Worked with the Client's team to provide initial strategy and concept recommendations for two wellness and sustainability-themed ultra-luxury developments. Proposed a contemporary, yet authentic concept with a range of different Eastern and Western treatments modalities, allowing the development to become a health and wellness destination in itself.



AFRICA

Ivory Coast
Rwanda
South Africa

ASIA PACIFIC

Australia
China
Hong Kong
India
Indonesia
Japan
Malaysia
New Zealand
Singapore
Thailand

EUROPE

Andorra
Austria
Croatia
Cyprus
France
Germany
Greece
Hungary
Ireland
Italy
Netherlands
Norway
Poland
Portugal
Serbia
Spain
Switzerland
Turkey
United Kingdom

LATIN AMERICA

Argentina
Brazil
Dominican Republic
Mexico

MIDDLE EAST

UAE & Oman

NORTH AMERICA

Atlanta
Denver
Miami
Montreal
New York
Norfolk
Orlando
Toronto